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January 21, 2003

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: <u>APPLICATION FOR PUBLIC HEARING.</u>

D Sand of the Cotton Valley Zone, GREENWOOD-WASKOM FIELD, Caddo Parish, Louisiana.

Dear Sir:

STROUD PRODUCTION, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the D Sand of the Cotton Valley Zone in the Greenwood-Waskom Field, Caddo Parish, Louisiana:

- 1. To authorize Applicant to drill, designate and utilize a substitute unit well for CV D SUN at the location shown on the attached plat, in exception to the well location provisions of Office of Conservation Order No. 193-B, effective January 5, 1954.
- 2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the hydrocarbons in the D Sand of the Cotton Valley Zone underlying CV D SUN which cannot be efficiently and economically drained by any existing well within such unit.
 - 3. To designate Applicant as Operator of CV D SUN.
 - 4. To discuss such other matters as may be pertinent to this application.

The D Sand of the Cotton Valley Zone in the Greenwood-Waskom Field, Caddo Parish, Louisiana, is defined in Office of Conservation Order No. 193-B, effective January 5, 1954.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 4520 Jamestown Avenue, Suite 6, Baton Rouge, Louisiana 70804. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is

Honorable James H. Welsh January 21, 2003 Page 2

not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Greenwood-Waskom Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,

David L. Smelley

Attorney for Stroud Production, L.L.C.

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Robert Stroud (w/encls.)

Mr. Joe B. Adams (w/encl.)

Interested Owners, Represented Parties and Interested Parties (w/plat only)

Sections 16 & 17, Township 17 North, Range 15 West Caddo Parish, Louisiana 89 Proposed Substitute Unit Well Proposed Stroud Production LLC HWV (Paige) 17-4 #1 1980' Thiopen - Herold #1 S.N. 179520, TD 8795' 330 D SUN 2302 Existing Unit Well / Anthony Oil & Gas Rice #i (S.N. 5/32) 800+/- Acres Exhibit No. ____ January 16, 2003 Docket No. ODUCTION LLC STROUD PR Shreveport, Louisiana Greenwood - Waskom Field Caddo Parish, Louisiana Proposed Substitute Unit Well at Exceptional Location for CV D SUN Proposed Unit Well www.www.uww. Unit Boundary Existing Unit Mell GRAPHIC SCALE 1"=1000'

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